



City Councilmember
Carl DeMaio

News Release

Report Reveals 71% Increase in Six-Figure City Pensions in One Year

Report Reveals Public Safety Accounts for Disproportionate Share of Excessive Pensions

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SAN DIEGO – City Councilmember Carl DeMaio today released his seventh annual report disclosing pension payouts to individual city employees. This year's report used additional methodologies and data sets to bring even greater clarity to outrageous city pension payouts.

"Just when you thought the number of excessive pension payouts could not get any higher, it has," lamented DeMaio.

The most notable revelation: a whopping 71% increase in the number of six-figure (\$100,000 or more) city pension payouts in the past year alone.

"It is offensive to have a 71% increase in the number of city retirees receiving \$100,000 or more in pension payouts, especially at a time when city services are being cut and San Diego's working families are struggling," DeMaio notes.

For the first time ever, the report breaks out public safety pension payouts from general worker payouts – and catalogues pensions being paid out after the effective date of the notorious "MP2" pension spiking plan approved in 2002.

The report shows that excessive pension payouts are disproportionately concentrated in the public safety ranks – with public safety accounting for 73% of six figure city retirees since 2003 whereas public safety accounts for only 33% of the total number of retirees since 2003. In addition to receiving higher pension multipliers and earlier retirement ages, public safety receives more generous "specialty pays" than any other employee classification – which have been added to base salaries to spike total pension payouts.

"This report is the perfect evidence of why public safety must be included in any meaningful and complete pension reform," DeMaio concluded.

Shocking Facts on Pension Payouts

71.1%

The percentage increase in one year in the number of city retirees receiving six-figure (\$100,000 or more) pension payouts.

\$303,980

The top annual retirement allowance paid in CY2010 – plus a second undisclosed allowance from a taxpayer-funded 401(k) account for this employee.

33% and 73%

Public Safety comprises 33% of retirees since 2003, yet they represent 73% of the \$100,000 Club.

76.5%

The percentage of public safety retirees since 2003 that are receiving more in retirement than \$61,118 – which is the average San Diego household earns (city median household income)

DeMaio has released this report for seven years – as a way of providing taxpayers with the transparency they should receive from their city government as well as to dispel misinformation provided by the city's labor unions who continue to claim that city pensions are reasonable.

Previous reports by DeMaio brought to light the following outrageous facts:

- **The \$227,249 City Librarian:** DeMaio's CY2009 Report showed the city's former head librarian receiving \$227,249 as an annual retirement allowance. In the 2010 report, that same former head librarian is now receiving \$231,190. Worse than that, the \$231,190 does not include payouts this former city librarian would receive from another city-funded retirement program known as the Supplemental Pension Savings Program -- where the city has matched up to 6% of many city employees' salaries for decades.
- **Earning More to Retire than Working for Taxpayers:** The CY2009 report compared pension payouts vs. the highest salaries of city employees during the last year they worked. This analysis revealed a multitude of city retirees receiving pension payouts well in excess of their last and highest salary. For example, in 2010 the city's former head librarian receives \$231,190 as an annual retirement allowance – versus the \$139,680 budgeted amount for the current head librarian working for the city.
- **Millions in Total Payouts:** In the CY2009 report, DeMaio commissioned a pension expert to calculate the life-long dollar value of payouts for the top 10 city pensioners – showing the 10 combined are expected to receive a whopping \$ 61 million dollars over the remaining course of their lives.
- **Million Dollar Lump-Sum Payouts:** Starting in CY2008, DeMaio's reports showed several city retirees had accumulated million-dollar cash balances under the DROP program, which they can receive as a cash payout or as an annuity payment – all in addition to their annual six-figure pension allowances.
- **Getting Four Retirement Checks at Once:** The CY2009 report showed how some city retirees are able to receive four separate retirement benefits – including the defined benefit allowance, DROP annuity payments, SPSP 401(k)-style payouts, and Preservation of Benefits (POB) payouts.
- **Cash To Dash:** The CY2009 report revealed that a significant number of city retirees live outside of the State of California and outside the City of San Diego. In fact, only 38% of retirees live in the City of San Diego.
- **"Early Risers Club:"** The CY2009 report found city politicians receiving retirement allowances at absurdly young ages. One ex-politician started receiving a pension check at age 35, another at age 39, while three others began collecting pension checks while in their forties.
- **"Double-Dip Club":** The CY2009 report also found several former city politicians receiving, or in line to receive, taxpayer-funded salaries on top of their city pension.

After setting pension reform as his top priority in office, Councilmember Carl DeMaio on his first day in office refused to enroll in the city's pension system. This has saved taxpayers approximately \$30,000 per year.

"These outrageous pension payouts must end – and this report serves as an annual reminder that we must enact comprehensive pension reform," concludes DeMaio. The full 2010 report, as well as copies of the previous reports, can be accessed at www.CleanUpCityHall.com.

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